It is generally accepted that we have much to learn about the operation of political processes within Latin American countries though understanding the interaction of global and national forces. (Milner and Koehane 1996). It would however be fallacious to assume that such linkages work in a way which is either linear or easily predictable on purely theoretical grounds - as the dependency paradigm once erroneously supposed. (For a critique of this view, see Phillips 1998). Detailed empirical analysis is therefore necessary. This paper considers the relationship between Washington consensus ideals and domestic political realities in three Latin American countries.

Thematically we are interested in learning more about problems involved in the idea of exporting ideas about 'good practice' in the context of development. The specific focus is on the 'Washington consensus', which is defined here as the belief that democracy, good governance (by which is generally meant the professionalisation of the state) and free market economics can be treated as a recipe to be applied to Latin American and other third world countries. In other words, we mean by Washington consensus not merely the view that democracy, market-oriented policies and good governance are inherently desirable but also that they are teachable and transferable. The view that development can be taught has been much discussed, sometimes with scepticism. (See the special issue of Third World Quarterly 1996). There is no space here for a full discussion of all relevant themes. We therefore focus on just one. How have Washington consensus policies interacted with local political realities?

A recent study of globalisation and reform in Argentina during the 1990s has discovered the potential for a 'virtuous circle' between the Washington consensus, IFI conditionalities and the popularity of the domestic government (Phillips 1998). Because the economic transformation essentially worked well, a positive-sum relationship was created between international capital and the Argentinean state. Each benefitted from cooperating with the other. This study is convincing in respect of its own case, but Latin American experience during the 1990s has not for the most part been as encouraging as that of Argentina. There has been per capita growth in the region as a whole (see Table 1) but this has been very slow. Nor can one observe an upward trend within the decade. The devaluation of
the Brazilian Real in January 1999 suggests that worse may lie ahead for the region, not better. There is no suggestion that the Washington consensus has been a complete calamity. It is clear that Latin America during the 1990s has not seen development failure on the scale of the 1980s, when per capita growth was negative (see Table 1). Furthermore, despite problems with democracy, dictatorships have not emerged in the region as they did in the 1960s and 1970s. It may well be that some Washington-consensus principles, notably a preference for democracy, have had a positive impact on the region. Nevertheless there are grounds for believing that the impact of the Washington consensus on the region has been less positive-sum than might be indicated by the possibly special case of Argentina. We are concerned here with cases where success has been much less evident.

Mexico, Peru and Venezuela have all suffered development setbacks during the 1990s and responded in their different ways. Mexico has mainly conformed. Mexico was one of the later democratisers in Latin American context. The rigging of the 1988 Presidential elections could be regarded more as 'politics as usual' than an interruption of an ongoing democratic process. National elections have only been 'clean' since 1991 and even today there are serious non-democratic practices in many individual localities. However the Mexican authorities have consistently, if slowly, pursued market-oriented economic reforms since 1982 and there has been a continuing - though again rather slow - move in the direction of greater democracy during roughly the same period. There has also been a genuine, if limited, movement in the creation of a more professionally-run and more decentralised state, as recommended in the 'good governance' literature. (World Bank 1997). Major crises in 1988 (over rigging presidential elections) and 1994 (the so-called tequila crisis) did not cause any lasting change of strategy.

Peru has since 1990 conformed to most of the economic requirements of the 'Washington consensus' - though with a marked slowing of the pace of reform since 1996. However it has not conformed in any very serious way to the 'good governance' requirements. Compared with 1990, the Peruvian Congress is weaker, the judiciary is more dependent upon the executive and the system of government is more centralised. While not nearly as brutal as the Pinochet dictatorship, Fujimori's government does have marked authoritarian characteristics. It is certainly capitalist, but not obviously liberal.

Venezuelan politics have since the beginning of 1989 been complex, tortured and dramatic. A watershed was reached in December 1998 when Hugo Chavez, who as a Lt. Colonel had led an unsuccessful coup attempt in February 1992, was elected president as an independent candidate with 56% of the vote. The Venezuelan electorate clearly voted to reject both market-oriented economics and traditional party-dominated
representative government. There has been some market-oriented reform in Venezuela over the past decade but this has been strikingly unpopular. Moreover Venezuela's democratic political system, held up to admiration by a whole generation of US political scientists, was effectively overthrown by a revolt of the electorate.

How do we explain these very different outcomes? All three countries have been economically unsuccessful over the past generation. Although there may be difficulties with the statistics, Mexico, Peru and Venezuela seem to have been among the least successful economic performers in Latin America since 1980, as we can see from Table 1.

Table 1. Per capita GDP growth in Mexico, Peru and Venezuela compared to the Latin American average 1980-96.

<table>
<thead>
<tr>
<th></th>
<th>1980-90</th>
<th>90-96</th>
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<tbody>
<tr>
<td>Latin American average</td>
<td>+1.5</td>
<td>-1.1</td>
</tr>
<tr>
<td>Mexico</td>
<td>-0.7</td>
<td></td>
</tr>
<tr>
<td>Peru</td>
<td>-3.4</td>
<td></td>
</tr>
<tr>
<td>Venezuela</td>
<td>+0.4</td>
<td>-1.4</td>
</tr>
</tbody>
</table>

Source. IDB 1997. p.221

A Washington-consensus economist might argue that these figures are surprising only in respect of Mexico. Peru adopted policies of so-called fiscal populism during 1985-90 with predictably disastrous results, and then market-oriented policies since 1990 which have allowed some recovery. Venezuela has largely resisted market-oriented reforms and has possibly paid the price in terms of growth. However the Mexican case, in which over a decade of highly-technocratic economic reform has seemingly failed to deliver any percapita growth, does seem anomalous. By any standards, Mexico's apparent failure raises serious questions.

Is there something wrong with the figures themselves? There is an optimistic case that there may be. Mexico's figures may be distorted somewhat by the opening up of its economy to imports since the mid-1980s. Imports have indeed risen from $11bn. in 1982 to $120bn. in 1998. This may represent 'leakage' of purchasing power which might otherwise have accelerated domestic investment and growth, but it may also be that earlier GDP figures were artificially inflated by the suppression of choice implied by protectionism. There is also evidence that public spending at all levels has become much less wasteful
since 1982 (Ward 1998) and that the decline in public sector provision during the 1980s was less severe than macro-level statistics might lead one to suppose (Lustig 1992). However even if the outcome for the average Mexican was less negative than the aggregate figures might indicate, there is little doubt that inequality has widened and the most acute poverty worsened. (Gonzalez 1997). If not a complete failure, then Mexico's 'Washington consensus' policies have been far from a complete success.

The statistics also pose problems in Venezuela where quality of life indicators have somewhat improved in Venezuela despite the negative trend in per capita income. (Kelly 1995). Since the early 1960s there have been consistent, if slow, improvements in life expectancy, and reductions in infant mortality and in the population per medical doctor. While nobody seriously disputes the fact of economic decline in Venezuela, one should also note that this has not led to complete crisis or social collapse to match the political collapse of Venezuela's major political parties. The overall picture may be rather similar to that of Mexico: we are concerned with a disappointing outcome rather than a disastrous one. However the 1980s were, for Peru, a genuinely disastrous decade by any objective standard and the recovery since 1990 has been real enough. These trends may have had at least as much to do with the degree of political violence - on a rising trend during 1980-92, and a falling trend since 1992 - as with issues of economic management.

This preliminary discussion is mainly intended to put the political question in context. Two preliminary descriptive observations can be made. Washington-consensus reforms have not necessarily guaranteed economic success in Latin America, although they may still have been better than the statist-nationalist alternative. Nor have Washington-consensus policies been uncritically accepted either at elite or popular level. We now seek to understand the contrasts in particular experiences.

Crisis and Consequences in Mexico

Mexico is unusual in the region in that its pre-1980 authoritarian system took the form of party (and above all presidential) rather than military domination. It was therefore inevitable that the process of democratisation was slow, difficult and hard to encapsulate in a single performative act. There had been some liberalisation between 1977 (the Electoral Reform) and 1988 but there were many setbacks to change as well. As late as January 1988 the opposition had never won a single governorship, a single Senate seat or consecutive elections in any important municipality. But although elections continued to be rigged, there was increasing contestation and 'electoral alchemy' was proving more difficult. A political crisis occurred in 1988, however, when a dissident faction of the PRI joined the small parties of the Marxist Left to mount a
genuine challenge to the system. The elections were clumsily and blatantly rigged, although the victory of the Left was acknowledged in Mexico City and some other regions of the country.

The 1988 elections have been extensively analysed in the literature. (Cornelius et. al. Ed. 1989, Bruhn 1997, Harvey 1993). Briefly put, the leadership of the PRI refused to accept its defeat, but did embark on a gradual process of democratisation. What is most interesting is the way in which this was done. The incoming government of Carlos Salinas made a very clear distinction between the 'good opposition party', the Right-wing PAN, and the 'bad opposition' from the Left. (For an excellent account see Amezuca and Pardinas 1997). This was something of a policy reversal since the previous de la Madrid government had been less hostile to the Left opposition than the Right. There may have been personal factors in Salinas' decision (he had come under strong personal attack during the election campaign) but the decision was largely rationalised as involving a policy preference. The Salinas government was full of economic liberals who regarded the statist-nationalist Left as a threat. They also understood that their main economic objective, closer economic integration with the United States, required some degree of democratisation in order to win the support of the US Congress.

The most important point, though, is that such a policy was almost cost-free to the PRI elite while being extremely beneficial to the business elite. At the time of the bank nationalisation in September 1982, relations between Mexico's business and political elites had been very strained. The Salinas strategy involved a reunification of the elite around a strategy of capitalism, gradual democratisation and economic integration with the United States. It involved a greater centralisation of power in within Mexico in order to ensure that local PRI groups accepted defeat when this was appropriate. Independent (often very corrupt) trade union bosses were also brought to heel. Moreover the PRI was made more electable via administrative reorganisation and also by an enhancement of its fund-raising capacities of the PRI and its access to the media. This was done by means which might reasonably have been regarded as almost totally corrupt. (Oppenheimer 1995) This process also brought about a total rapprochement between the PRI and the private sector.

The tequila crisis was a serious setback to this whole political strategy. Some reputations were shattered (that of Carlos Salinas has not recovered) and many businesses failed. However, the political impact of the crisis was perhaps less than many believed likely at the time. The national vote for the PRI did fall, from just over 50% in 1994 to some 39% in 1997. The 1997 vote was significant because the PRI fell just below the threshold needed for it to retain overall control of
both houses of Congress. However the PRI remained significantly stronger than either of the major opposition parties, who each enjoyed around 26% of the vote. A similar pattern, of relative but not absolute decline by the PRI, has been seen in state governorship elections. Of the 22 held since 1994, the PRI has won thirteen, the PAN six and the Left-wing PRD three—one of which was the Federal Capital. In other words, the PRI elite still runs Mexico although its domination of the country is less complete that it was. Democratisation even under conditions of economic failure did not lead to a defeat for the PRI in national elections. Even if the opposition does win the 2000 elections, this will still have been one of the most elite-controlled democratic transitions in Latin America.

It is not difficult to understand why the Mexican elite wanted the government to continue with the strategy of Naftonian development. The largest private sector companies have benefitted enormously from the opening of the Mexican economy and from the opportunities provided by privatisation. (Salas Porras 1998). Mexico has developed a very powerful national capitalism since 1982. While Mexico is clearly economically dependent upon the US, it by no means follows that US corporations inevitably dominate their US counterparts. Mexico has some impressive entrepreneurs. Telmex has recently won a considerable victory over its rivals in the context of Mexican telecom deregulation. The main business families have shown their gratitude to the PRI in the traditional way. The PRI has been lavishly financed at election time and enjoyed extremely favourable media coverage.

The fundamental point, then, is that the Washington consensus model did not undermine elite control in Mexico. Instead, it tended to reinforce it by re-unifying the elite after the strains experienced during the 1970s. The necessary condition for this is that there was no strong popular revolt, either through the ballot box or in any other way. There was an armed challenge to the state from the Zapatistas in 1994 but this did not translate into a general uprising. It could therefore be contained as a specifically local problem.

The main explanation for this has to do with the PRI's continued ability to enjoy popular support despite failing to deliver much in the way of material progress. Undeniably support for the PRI has fluctuated and there was a marked fall in the PRI vote between 1994 and 1997 (from just over 50% to around 40%). Yet there can be few countries in the world where a ruling party could expect to retain 40% of the vote in the aftermath of the economic and political disasters experienced during 1994-95. To understand this point we need to remember that the PRI enjoys political strongholds in the poorer and more rural districts of Mexico and has done so since the land reform of the 1930s. Because the rule of law is weak in these areas, the PRI can retain power by the traditional means via
which party machines keep control anywhere once they have become sufficiently established.

The PRI still has to compete for the popular vote in urban Mexico and in some rural areas in which opposition parties have at last established themselves. However it does so from a position of built-in advantage due to the areas which it already controls. Moreover while Washington consensus policies may do little enough for the poor, they may find some support among non-captive middle and upper class voters. They also proved enormously helpful in respect of fundraising and support from the privately-owned media. In 1994 the Mexican Interior Minister was forced to ask the head of Televisa (Mexico's main media company) to give more coverage to the opposition campaigns. Its support for the PRI had been so strong as to cause embarrassment. (Confidential interview, Mexico City, January 1995).

It may also be the case that democratisation itself has increased the attractiveness of the PRI to non-captive voters. The consistent ballot rigging which caused such outrage in parts of Mexico at least during the 1980s is a thing of the past. Moreover the quality of candidate selection within the PRI has enormously improved over the past decade. The PRI can no longer impose unpopular candidates for local elections with any expectation of success. While the PRI nationally has not faced electoral rejection, the PRI has indeed been rejected in a number of localities. In much of Mexico, the general quality of local government has enormously improved as a result of greater electoral competition.

The elite has not had things altogether its own way. It could be argued that the strong showing of the Left in 1988 speeded up the process of democratisation in Mexico. However democratisation would probably have happened anyway. It is apparent that a policy of seeking entry into NAFTA needed to be accompanied by some credible promise of democratisation if the US Senate was to agree to it. The 1994-95 recession further strengthened the opposition parties, to the extent that the PRI lost control of the Chamber of Deputies in 1997 while still remaining the largest single party. This loss did somewhat slow the government's legislative programme. It also required the PRI to offer some concessions to the PAN in order for the latter party to support national budget legislation in both 1997 and 1998. Concessions to the PAN have included a somewhat greater degree of fiscal decentralisation than had once been envisaged. However the sum total of the political concessions made by the government does not amount to a very great deal at this point -although this situation may of course change over time.

Yet the most important comparative feature of Mexico is not that Washington consensus policies have been opposed, but that they have not been opposed to greater effect even though they
have so far done little or nothing to help the poor. Polls show consistently that most Mexicans are not economic liberals, and they consider their political system to be excessively corrupted by money. There has been no real suppression of debate. The Left-wing political opposition has not been shy of using its position in Congress to denounce the government. The days when the president of Mexico was seen as a divine figure who could do no wrong are past. However while the Left performed creditably in 1997, winning control of Mexico City and some 25% of the vote nationally, this is not an overwhelming triumph for a multi-class populist opposition led by so well-known a figure as Cardenas. The combination of US support, elite unity and continued PRI control of rural areas by authoritarian means seems to add up to a package which opposition parties cannot easily challenge.

Whether or not this explanation is correct, the fact of Naftonian development seems inescapable. It remains to be asked how far Washington consensus policies have changed the actual governance of Mexico. The conclusion here is that governance in contemporary Mexico amounts to a rationalisation of capitalism (involving a form of democratisation) rather than a cultural democratisation. There remain real problems with the quality of life in poorer areas. There is significant official lawlessness including corruption and violent crime by the police. In the poorer states of Mexico, elections are still largely settled by money. For example, when it turned out that Roberto Madrazo of the PRI spent $70m. on his successful campaign for the governorship of the small and poor state of Tabasco (where there were 1 million voters and a legal campaign limit of $1.5m.), nothing was done. Madrazo later campaigned for the presidency with some remarkably expensive advertising on national television. Meanwhile there have been a number of politically-related murders for which local governors have been blamed, in states such as Morelos, Guerrero and Chiapas. Although there is a formal electoral process, there is also in some parts of Mexico a continuing danger of violent social repression and continuing control by local elite groups.

After consistently pursuing Washington consensus policies, contemporary Mexico presents an image uncannily similar to that of the United States a century ago. There is a vibrant and sometimes corrupt capitalism in the north, and there is social oppression and authoritarianism in the south. There is not the same institutionalised racism in Mexico's 'Deep South' as there once was in Mississippi or Alabama, but social control via selective assassination still sometimes features. Moreover the PRI draws significant strength from its control of these backward parts of the country and it therefore has no electoral interest in any reform of governance in these areas. The ruling party has a political interest in structural inequality within Mexico as a whole, and it has not taken Washington consensus policies very seriously where these might threaten to undermine its political control.
The Autogolpe and its Consequences in Peru.

Peru has held presidential elections routinely on schedule since 1980, but by 1990 the country had become deeply crisis-ridden. It had hyperinflation, enormous insurgency problems and a government which was manifestly unable to cope with either security or economic issues. It was not just that the economy and society were in chaos, but the state was being threatened with overthrow by force. In 1990 Sendero Luminoso claimed to have achieved 'strategic parity' (Taylor 1998) with the Peruvian state. The MRTA, less powerful than Sendero, was also a significant insurgency and a major headache to the security forces.

The political train of events which led to the ascendancy of Alberto Fujimori is complex and has been discussed elsewhere. (Tulchin 1995, Tuesta 1996). However Fujimori's victory came at the end of two major political conflicts, each based on different issues. One occurred in the late 1980s after President Garcia in 1987 announced the nationalisation of the banks. This led to a major protest movement led by the private sector and headed by the novelist Vargas Llosa. (Sahley 1995, Vargas Llosa 1994). This proved surprisingly successful, and Vargas Llosa launched his presidential candidacy as a market-oriented liberal. There can be no doubt that this was an elite movement in which businessmen, intellectuals and traditional conservative politicians were all involved. This movement objected to Garcia's economic populism and irresponsibility, his failure to guarantee property and his inability to cope with Sendero Luminoso.

However Vargas Llosa's presidential candidacy neither united the elite nor spoke effectively to enough non-elite Peruvians. The elite forces most opposed to Vargas Llosa included some military officers, who disliked the fact that Vargas Llosa had written a famous novel, La Ciudad y Los Perros, which was highly critical of military life. (Interview with Miguel Vega Alvare, Lima, November 1998). Non-elite Peruvians disliked the social and ethnic group (the white Spanish elite) to which Vargas Llosa clearly belonged and the traditional political parties with which he was associated. (Vargas Llosa 1994) If Vargas Llosa had stood as a genuinely independent candidate, he might well have won. In the event, though, when it appeared clear that Vargas Llosa would defeat all orthodox political candidates in presidential elections, some influential forces swung their support to Alberto Fujimori. Fujimori, a little-known agronomist, stood at 0.5% in the polls in February 1990, but due to an incredible metamorphosis he won the second round of presidential elections in July. There can be no doubt that Fujimori had powerful but silent supporters.
Fujimori's electoral victory did not seem to have resolved any problems of power. He was in a Congressional minority and he had virtually no political experience. He faced some extremely serious problems of government such as hyperinflation and serious insurgency. He may have had closer relations with the military than were public knowledge at that time. However, in April 1992 Fujimori he called on the military to close Congress and declared that Peru needed a new Constitution and thorough judicial reform. This step proved popular internally despite international condemnation. Fujimori was then able to consolidate his position by organising a further series of votes— for local government, for the Constituent Assembly, for approval of the Constitution, and for his subsequent presidential re-election. As it became clear that Fujimori was serious about defeating Sendero and reforming the economy, so much of the traditional elite which had originally supported Vargas Llosa willingly moved into the Fujimori camp.

As we have seen, Fujimori proved to be an economic liberal but by no means a liberal in political terms. It could be argued that the adoption of free-market reform was inevitable once hyperinflation had developed in 1990. Fujimori did, it is true, oppose Vargas Llosa's neoliberal economics during the 1990 presidential campaign only to embrace them when elected. However, despite the difficulty of the economic situation and the severity of the measures attempted, Fujimori was given a surprisingly easy ride by his political opponents on economic questions.

The real conflict was between supporters of representative democracy as currently practiced in Peru and those who preferred a more authoritarian form of government such as that adopted by Fujimori and his military allies. This conflict was resolved to Fujimori's advantage when it became clear from the polls that enormous popular majorities supported the more authoritarian option. International response to the coup was originally hostile but soon muted as it became clear that the Peruvian public supported Fujimori. (Costa 1993). Moreover military support enabled Fujimori to ignore the pronouncements of civilian institutions such as the judiciary.

It would be an oversimplification to suggest that, security issues aside, Peru has continued in much the same way after 1992 as it did before, except with a different group of people in charge. However this statement also contains some truth. In security terms, the difference between Fujimori and his liberal opponents was real. The arrest of Abimael Guzman in Lima in September 1992 may have been largely due to good luck, but Fujimori's ability to use this breakthrough to demobilise Sendero was evidence of good organisation. (Taylor 1998). It is also true that there has been significant progress on policies such as debt renegotiation, privatisation, pension reform, and
other market-reforms. However the list of things which have not changed since 1992 is also quite long.

When conducting research on post-1992 Peru, this author expected to find considerable evidence of institutional change, driven both by 'good governance' criteria and by private sector pressure. However Fujimori's form of elective, semi-authoritarian capitalism has in fact involved very little institution-building. There is even some evidence of institutional weakening. The bureaucracy remains largely clientelist. An important public sector reform plan was commissioned by the government, presented to Fujimori but then turned down because of opposition from existing bureaucratic interests. (Interview with Leoni Rosa 20 November 1998). There continues to be corruption at high level. There are well-documented stories of financial abuses committed by particular cabinet ministers -though Fujimori's own name was not mentioned in this context.

In some ways, moreover, there was an intensification of personalist rule during the 1990s. This can be seen from the fact that in 1996 Fujimori's supporters began to advocate in public that Fujimori be available for re-election in 2000 - despite what seems to the naked eye to be a clear Constitutional limitation on a third presidential term. The case was taken to the Supreme Electoral Court. When certain judges declared their opposition to the measure, they were immediately impeached by the pro-government majority in Congress and dismissed. This was not formally unconstitutional, but neither was it respectful of judicial independence. In the end, the Courts agreed that Fujimori could run for re-election in 2000. Meanwhile the personal control which Fujimori exerts over the security forces is something which has been greatly reduced despite the weakening of threats to the Peruvian state.

In conclusion, Peru's response to crisis was the replacement of a corrupt form of representative democracy by an only somewhat-less corrupt form of semi-authoritarian capitalism. This has worked well enough in respect of social control and in diminishing the divisions within the elite which were so much a feature of the early 1980s. Moreover the privatisations and reintegration of Peru into global financial markets have enormously increased the power and wealth of Peru's leading business families. It has been suggested by a personal advisor to Fujimori that the policy of debt renegotiation was pushed for far more aggressively by the Peruvian banks than by Peru's international creditors who were mostly willing to wait. (Interview with Guillermo Runciman, Lima, November 1998). The banks had everything to gain by the reinsertion of Peru into the global economic system after the defaults and crises of the previous period. To balance this conclusion, it is only fair to point out that Fujimori's economic record has been reasonably successful and that he has other achievements to his
credit as well, such as a peace settlement reached in 1998 with Ecuador.

Yet there has been even less institution building in Peru than in Mexico, and the elite consensus therefore seems more fragile. Furthermore electoral considerations have clearly taken precedence over any deepening of Washington consensus reforms. For example, while there has been considerable reform in the mining, energy and telecommunication sectors, there has been very little reform of agriculture. This appears to be because the rural unions who work the plantations of the northern coast are opposed to any change, and the government does not wish to disagree with them. Overall, a similar conclusion is in order in respect of both Peru and Mexico. Washington consensus policies have been adopted when local elites have wanted them, and otherwise not. Democracy does make a difference because elite calculations have to be significantly electoral rather than purely financial. However this can have the effect of making these preferences more structured within local realities and therefore harder to change.

Chavez and the Decline of the Dominant Parties in Venezuela.

The third case, Venezuela, is one in which the traditional political order has been seriously ruptured. It is clear that Venezuela has radicalised internally. The danger of genuine social polarisation seems much greater in Venezuela than in the other two cases. Why did political elites in Venezuela lose control over the democratic process whereas those of Mexico and Peru did not?

A brief survey of events may help here. Until the mid-1980s, the Venezuelan state was securely under the control of two powerful political parties, AD and Copei, which had successfully negotiated a share-out of the political system under the terms of the Punto Fijo pact of 1957 and subsequent adjustments. The parties used systems of clientelist appointment to control the military, the state bureaucracy and local government. The power of the presidency to transform this system was limited by Constitutional factors. There was no immediate presidential re-election. Parties, not presidents, controlled the succession. (Coppedge, 1994). Moreover parties, not presidents, controlled Congress which enjoyed very significant power under the Venezuelan constitution. (Crisp 1997). The private sector, though its behaviour was significantly controlled by the state, did not particularly object to this situation because its economic interest lay in collaboration with government. Most economic activity revolved around the recycling of oil income, and government contracts were therefore crucial. Non-oil exports were trivial. Finally the judiciary, too, was controlled by the major parties and there was little or no effective check upon political corruption at all levels of the system.
The collapse of the international oil price in 1986, which was widely expected to be temporary but did not prove to be so, put this model under intense strain. (Karl 1997). However the later 1980s also saw some significant political reforms which were undertaken quite independently of the economic outlook. The most important single innovation was that state governorships were directly elected after 1989. This change reduced still further the power of the presidency.

Venezuela did not respond decisively to the collapse in the international oil price, and by the end of 1988 the country's reserves were virtually exhausted. In February 1989 incoming-president Carlos Perez imposed a drastic stabilisation programme. This was bound to be unpopular and was made particularly so by the fact that Perez had previously been president in the 1970s and was associated with the period of oil abundance. His election campaign of 1988 made no mention of the fact that hard times lay ahead. His conversion to free-market economics, of a particularly brutal kind, came as a real shock. The Perez package was greeted with major rioting and large scale political violence.

All of this made Perez extremely unpopular. However the stabilisation package achieved some success and the economy eventually started to recover. There was a real weakness in the reform programme, however, which was that Perez could not command the support of Congress. Executive power could be used to a certain point, but an essential set of structural reforms (such as tax reform) were either delayed in Congress or not passed at all. Accion Democratica had done quite poorly in the 1989 governorship elections and its Congressional leaders were seriously alienated from Perez as a result. Organised labour, which was an important component of AD support, was particularly alienated. (Interview with Antonio Rios, Secretary of the CTV, Caracas, September 1990).

The policy stalemate became complete when a military coup attempt occurred in February 1992. The coup leaders were totally opposed to both Perez and his reforms. They were also dangerously popular. (Philip 1992). The government's attempts to portray the coup as the work of a few fanatics failed. Instead the whole economic reform programme was put on hold and the economic liberals who had led the Perez reform programme left the government.

One might explain the failure of the Perez reform on several grounds. Oil dependency made the Venezuelan public particularly resistant to economic reform. Popular frustration with earlier corruption, some of it associated with Perez himself, added to resentment that the people were required to bear a burden largely escaped by the politically-connected rich. The Venezuelan Congress was unwilling to support Perez who could not simply use the presidency to command obedience as was the
case in Mexico prior to 1997. Perez himself did not use his powers to the maximum where, as in the oil sector, there were things which could usefully be done. Lt. Colonel Chavez was obviously a military opponent of some unusual ability, unlike many other military officers who have at some time or other dreamed of political power. No single factor, on its own, explains everything.

What is clear is that the political failure of Perez allowed a vacuum of power to develop. The whole political scene between February 1992 and December 1998 was one of disunity, factionalisation and effective self-destruction by the parties. During all of this time, politicians were certainly afraid of doing anything which might upset the military (Confidential interviews, Caracas, April 1997). Opponents of market-oriented reform were aware that government would not dare impose policy if they feared resistance in the streets. Private business, which looked back to the age of protectionism and government contracts rather than forward to globalisation, did not give any kind of political lead. The dominant parties lost political support, but not (until December 1998) completely. They were strong enough to block initiatives of which they disapproved but not strong enough to govern. Finally the one thing upon which the elite could still agree, namely increasing oil production, did not yield the hoped-for results because of continuing weakness in the international price.

It seems clear also that the electorate's decisive rejection of Venezuela's traditional political parties and mode of governance in December 1998 was the culmination of a long process of disillusion with established democratic institutions. The key problem with the post-1958 democratic system was that it gave too much power to the political parties rather than attempting to create genuinely autonomous state institutions. The judiciary and the bureaucracy were largely under the control of party politicians, and there was enormous and fully understandable popular dissatisfaction with the way in which they worked. Simply put, they were massively corrupt. (Little and Herrera 1996).

Explaining the Variances.

The Mexican and Peruvian cases largely fit a 'ruling elite' model whereas the Venezuelan case clearly does not. The immediate reason for this is that the February 1992 coup attempt in Venezuela shattered elite unity, whereas the Peruvian autogolpe and the Mexican ballot rigging in 1988 reinforced it. In other words, the effect of non-Constitutional politics (like that of any other form of political conflict) largely depends on who wins the decisive battles.
However this explanation is obviously incomplete. The Venezuelan coup attempt was a military failure but a political success. Chavez successfully (in the end) commanded popularity rather than force. In Mexico and Peru, semi-authoritarian market liberals such as Salinas and Fujimori could command popular support. This was a necessary condition for reconstructing the political systems of both countries. As we have seen, the reconstructed systems contained some 'Washington consensus' features but some alien features as well. In Venezuela Perez, who in some ways had a similar policy agenda, failed due to the decisive popular rejection of his policies. It is reasonable to suppose that this different outcome largely reflects differences between the different political societies. The PRI could continue to win elections after 1988, as could Fujimori in the 1990s, whereas Accion Democratica could not.

Can the greater radicalisation of the Venezuelan electorate be explained, in part, by the different pattern of public expenditure due to a larger fiscal base? In other words, is oil part of the answer? There is a good deal of evidence that such is indeed the case. (Karl 1997). Today the fiscal advantage provided by Venezuela's oil wealth is quite limited. Taxes paid by the state oil company today amount to no more than 10% of GDP. This is not a trivial sum, but it is not a wholly determining quantity either. However in the past, the fiscal contribution made by oil was vastly greater. This created a resource base for a considerable quantity of government spending which was formally designed to improve average living standards but was in practice significantly wasted or misappropriated. (Angell and Graham 1995). The result was to create a relative deprivation effect for those who did not benefit from the boom. High popular expectations clearly have the effect of reducing state autonomy, particularly when these expectations are not met.

By Way of Conclusion

Supporters of the Washington consensus and critics of globalisation sometimes assume that new trends in the international system will impact on developing countries in much the same way. It may be that any prescriptive approach to development issues assumes some homogeneity in which is being discussed. An answer along the lines of 'it all depends' can be frustrating. However it may be the only answer that one can safely give. Latin American countries enjoyed very different economic results during the 1990s despite the fact that, for the first time in recent history, virtually all of them were pointing in the same policy direction. Market-oriented reforms have so far worked well in Argentina, reasonably well in Peru and quite disappointingly in Mexico. By the same token, political response to policy failure has been different in different contexts. Mexico has continued with the same line of policy irrespective of setback. The Peruvian electorate
supported the overthrow of representative democracy and its replacement by a fairly traditional Peruvian form of semi-authoritarianism. The Venezuelan electorate voted for a genuinely radical change in December 1998.

Seen in domestic terms, all of these responses can in principle be explained. The point is that global ideas, conditionalities and other pressures are mediated in their local effect via a system of power relationships. Those who enjoy power locally will seek to take advantage of international circumstances in some way or other. They might succeed, but will not invariably do so. The outcome of these power conflicts might be quite variable. As a result, there may seem to be a lack of logic or consistency in the way in which Latin American countries relate to globalisation.

However once one introduces the concept of power, then the notion of teaching and learning development becomes very problematic. What local elites are likely to learn from the Washington consensus is not how their societies might benefit, but how the elite groups themselves can turn a changing situation to their own advantage. In power terms it is quite logical that the Mexican government, which can draw a good deal of strength from the PRI's electoral control of backward economic areas, would determinedly pursue those Washington consensus policies that a non-captive electorate might consider attractive. It is also logical that Fujimori, having done just enough to satisfy the demands of the Washington consensus during 1992-95, should then put electoral considerations above the riskier course of embarking on a second generation of reforms to Peruvian state institutions. In Venezuela, the miscalculations of President Perez created a situation in which it was virtually impossible for the country's political leadership to respond effectively to an extremely difficult situation. The result was a vacuum of power followed by radical change.

Country experts have sometimes been seen as having a rather limited role to play in the great intellectual debates on free market reforms, democracy, globalisation or whatever. However political science should not be a study only of ideas or only of the exercise of power. We need to understand the interface between the two. Despite the undoubted importance of globalisation, power conflicts are still largely fought out within national boundaries.

A Note On Interview Sources.

The author visited Caracas on a number of occasions in order to conduct interviews relating to projects on presidentialism and the role of the military. He also visited Lima in November 1998 on the same project. He also visited Mexico on a number of occasions in order to research political change in that country. All the sources referred to here have been named here
except for two who discussed the role of the military in Venezuela and one who discussed politics and the media in Mexico in 1994: these specifically requested confidentiality.

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